

CORPORATION TO DEVELOP COMMUNITIES OF TAMPA, INC.
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Corporation to Develop Communities of Tampa, Inc. and Subsidiaries (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Corporation to Develop Communities of Tampa, Inc. and Subsidiaries as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Audit Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Corporation to Develop Communities of Tampa, Inc. and Subsidiaries and to meet our other ethical responsibilities with the relevant ethical requirements relating to the audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Organization's 2022 consolidated financial statements, and our report dated April 25, 2023, expressed an unmodified opinion on those consolidated financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Also, the accompanying Consolidated Statement of Financial Position and the Consolidating Statement of Activities and Changes in Net Assets, are presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidating financial statements or to the consolidating financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 27, 2024 on our consideration of Corporation to Develop Communities of Tampa, Inc. and Subsidiaries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Corporation to Develop Communities of Tampa, Inc. and Subsidiaries' internal control over financial reporting and compliance.

Tampa, Florida
August 27, 2024

A handwritten signature in cursive script that reads "Buco, Gardner & Company, P.A." The signature is written in black ink and is positioned to the right of the typed date and location.

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2023

(With comparative total for December 31, 2022)

	Without donor restrictions	With donor restrictions	Total 2023	Total 2022
ASSETS				
Cash and cash equivalents	\$ 5,753,796	\$ -	\$ 5,753,796	\$ 4,380,798
Cash whose use is limited	101,108	-	101,108	1,165,076
Accounts receivable, net				
Grants	347,707	-	347,707	352,013
Other	833,699	-	833,699	122,886
Homes under construction	4,163,711	-	4,163,711	1,652,348
Prepaid expenses and other assets	159,091	-	159,091	102,586
Repairs and maintenance reserve	673,353	-	673,353	1,527,664
Funds held for others	417,086	-	417,086	322,268
Total current assets	12,449,551	-	12,449,551	9,625,639
Buildings, property and equipment, net	26,144,160	-	26,144,160	23,511,299
Right of use operating lease asset, net	32,271	-	32,271	48,839
Deposits	16,539	-	16,539	25,141
Loan receivables	905,000	-	905,000	1,105,000
TOTAL ASSETS	\$ 39,547,521	\$ -	\$ 39,547,521	\$ 34,315,918
LIABILITIES AND NET ASSETS				
Current portion of long-term debt	\$ 1,738,317	\$ -	\$ 1,738,317	\$ 72,681
Current portion of lines of credit	252,680	-	252,680	-
Accounts payable	293,916	-	293,916	85,203
Construction and retainage payables	225,715	-	225,715	25,666
Accrued liabilities	222,557	-	222,557	204,923
Deferred revenue	193,887	-	193,887	1,020,968
Funds held for others	422,171	-	422,171	313,566
Right of use operating lease liability, current	18,135	-	18,135	18,368
Total current liabilities	3,367,378	-	3,367,378	1,741,375
Lines of credit	4,118,017	-	4,118,017	100,888
Long-term debt	4,044,029	-	4,044,029	4,911,919
Due to governmental agencies, net	20,292,340	-	20,292,340	20,273,804
Right of use operating lease liability, net of current portion	16,546	-	16,546	32,250
Other liabilities	102,083	-	102,083	91,536
Total liabilities	31,940,393	-	31,940,393	27,151,772
Net assets	7,607,128	-	7,607,128	7,164,146
TOTAL LIABILITIES AND NET ASSETS	\$ 39,547,521	\$ -	\$ 39,547,521	\$ 34,315,918

The accompanying notes are an integral part of this consolidated statement.

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended December 31, 2023
(With comparative total for December 31, 2022)

	Without donor restrictions	With donor restrictions	Total 2023	Total 2022
REVENUES AND SUPPORT				
Contributions	\$ 114,201	\$ -	\$ 114,201	\$ 99,511
Federal grants	673,031	-	673,031	667,320
State and local grants	1,551,843	-	1,551,843	1,328,191
Private foundation grants	1,390,728	-	1,390,728	388,285
Developer revenue, net	209,207	-	209,207	409,998
United Way	229,911	-	229,911	321,365
Special events, net	138,703	-	138,703	89,967
Program service fees	88,666	-	88,666	379,682
Rental related income	1,494,646	-	1,494,646	799,691
Loss on sale of assets	-	-	-	(27,640)
Interest income and other	108,623	-	108,623	7,757
	<u>5,999,559</u>	<u>-</u>	<u>5,999,559</u>	<u>4,464,127</u>
Total revenues and support				
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues, support and net assets released from restrictions	<u>5,999,559</u>	<u>-</u>	<u>5,999,559</u>	<u>4,464,127</u>
EXPENSES				
Program services				
Youth family center	832,980	-	832,980	620,022
Workforce center	1,172,906	-	1,172,906	1,060,129
Real estate/housing development	2,772,876	-	2,772,876	1,388,194
Total program services	<u>4,778,762</u>	<u>-</u>	<u>4,778,762</u>	<u>3,068,345</u>
Support services				
Management and general	524,690	-	524,690	460,491
Fundraising	253,125	-	253,125	175,029
Total support services	<u>777,815</u>	<u>-</u>	<u>777,815</u>	<u>635,520</u>
Total expenses	<u>5,556,577</u>	<u>-</u>	<u>5,556,577</u>	<u>3,703,865</u>
CHANGES IN NET ASSETS	442,982	-	442,982	760,262
Net assets at beginning of year	<u>7,164,146</u>	<u>-</u>	<u>7,164,146</u>	<u>6,403,884</u>
Net assets at end of year	<u>\$ 7,607,128</u>	<u>\$ -</u>	<u>\$ 7,607,128</u>	<u>\$ 7,164,146</u>

The accompanying notes are an integral part of this consolidated statement.

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2023
(With comparative total for December 31, 2022)

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Change in net assets	\$ 442,982	\$ 760,262
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	736,572	273,559
Increase in accounts receivable	(706,507)	(159,054)
Decrease (Increase) in notes receivable	200,000	(200,000)
Increase in homes under construction	(2,511,363)	(310,423)
Decrease (Increase) in prepaid expenses and other assets	797,806	(62,730)
Decrease in funds held for others	13,787	24,599
Decrease (increase) in security deposits	8,602	(4,480)
Right of use operating asset amortization	16,568	15,072
Increase (decrease) in accounts payable and accrued expenses	426,396	(115,560)
(Decrease) increase in deferred revenue	(827,081)	360,441
Increase in deposits payable	10,547	85,616
Decrease in operating lease payable	(15,937)	(14,789)
Increase in due to governments	18,536	-
Total adjustments	<u>(1,832,074)</u>	<u>(107,749)</u>
Net cash (used) provided by operating activities	<u>(1,389,092)</u>	<u>652,513</u>
Cash flows from investing activities		
Fixed assets additions	<u>(3,369,433)</u>	<u>(12,791)</u>
Net cash (used) by investing activities	<u>(3,369,433)</u>	<u>(12,791)</u>
Cash flows from financing activities		
Proceeds from lines of credit	5,230,851	1,001,395
Payments on lines of credit	(961,042)	(1,405,480)
Proceeds from long-term debt	869,500	1,650,000
Principal payments on long-term debt	<u>(71,754)</u>	<u>(80,727)</u>
Net cash provided by financing activities	<u>5,067,555</u>	<u>1,165,188</u>
Net change in cash and cash equivalents	309,030	1,804,910
Cash and cash equivalents at beginning of year	<u>5,545,874</u>	<u>3,740,964</u>
Cash and cash equivalents at end of year	<u>\$ 5,854,904</u>	<u>\$ 5,545,874</u>
Cash and cash equivalents	\$ 5,753,796	\$ 4,380,798
Cash whose use is limited	<u>101,108</u>	<u>1,165,076</u>
Cash and cash equivalents at end of year	<u>\$ 5,854,904</u>	<u>\$ 5,545,874</u>

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

CONSOLIDATED STATEMENT OF CASH FLOWS - CONTINUED

For the year ended December 31, 2023
 (With comparative total for December 31, 2022)

	<u>2023</u>	<u>2022</u>
Supplemental disclosures of cash flow information		
Cash paid during the year		
Interest	<u>\$ 226,554</u>	<u>\$ 140,071</u>
Taxes	<u>\$ -</u>	<u>\$ -</u>
Non cash activities		
Assets acquired under an operating lease	<u></u>	<u>\$ 63,911</u>
Assets acquired from Armature Place acquisition, net of cash	<u>\$ -</u>	<u>\$ 16,422,476</u>
Liabilities assumed from Armature Place acquisition	<u>\$ -</u>	<u>\$ 16,437,385</u>

The accompanying notes are an integral part of this consolidated statement.

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2023
(With comparative total for December 31, 2022)

	Program Services				Support Services			Total 2023	Total 2022
	Youth Family Center	Workforce Center	Real Estate/ Housing Development	Total Program Services	Management and General	Fundraising	Total Support Services		
Salaries and benefits	\$ 394,883	\$ 698,289	\$ 933,830	\$ 2,027,002	\$ 343,708	\$ 238,805	\$ 582,513	\$ 2,609,515	\$ 2,127,875
Advertising and marketing	35,372	31,345	28,218	94,935	15,556	1,556	17,112	112,047	60,672
Business meetings & food	44,603	27,892	3,802	76,297	5,229	502	5,731	82,028	42,153
Repairs and maintenance	-	19,559	117,832	137,391	7,804	478	8,282	145,673	98,219
Materials and supplies	172,112	51,135	95,749	318,996	6,793	322	7,115	326,111	144,201
Insurance	14,284	21,267	266,940	302,491	9,216	922	10,138	312,629	92,432
Memberships and subscriptions	3,846	3,852	2,439	10,137	2,288	229	2,517	12,654	9,655
Licenses and permits	-	3,470	1,278	4,748	1,648	-	1,648	6,396	3,408
Occupancy costs	41,320	153,674	243,011	438,005	49,035	3,247	52,282	490,287	386,270
Postage and shipping	652	694	1,057	2,403	420	42	462	2,865	1,785
Professional fees	40,379	66,795	115,836	223,010	18,161	1,816	19,977	242,987	99,086
Staff development	14,370	8,840	3,453	26,663	3,772	377	4,149	30,812	9,443
Participant support	-	8,187	11,904	20,091	-	-	-	20,091	99,705
Travel	6,533	9,113	5,156	20,802	4,050	203	4,253	25,055	21,341
Predevelopment costs	-	-	42,043	42,043	-	-	-	42,043	23,075
Miscellaneous	24,651	26,240	22,881	73,772	31,221	2,047	33,268	107,040	52,026
Bad debt expense	-	-	25,218	25,218	-	-	-	25,218	18,889
Interest	9,682	10,307	199,694	219,683	6,246	625	6,871	226,554	140,071
Depreciation	30,293	32,247	652,535	715,075	19,543	1,954	21,497	736,572	273,559
Total expenses	\$ 832,980	\$ 1,172,906	\$ 2,772,876	\$ 4,778,762	\$ 524,690	\$ 253,125	\$ 777,815	\$ 5,556,577	\$ 3,703,865

The accompanying notes are an integral part of this consolidated statement.

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2023

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A brief description of the organization and a summary of its significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements follow:

1. Description of the Organization

The accompanying consolidated financial statements include the accounts of Corporation to Develop Communities of Tampa, Inc. ("CDC") and its wholly-owned subsidiaries, Columbus Arms, LLC; Tampa Vocational Institute, LLC; FKC CDC GP, LLC; CDCT Gardens, LLC; CDCR Armature; and CDCT 5112 N 22nd Street (collectively referred to as the "Organization").

CDC, a not-for-profit corporation formerly known as Lee Davis Neighborhood Development Corporation, was incorporated on May 15, 1992 in the State of Florida. CDC was formed to raise the economic, educational, and social levels of the residents of Hillsborough County, Florida, including members of the minority community, who are substantially unemployed, underemployed, or whose income is below federal poverty guidelines, to foster and promote community-wide interest and concern for the problems of these residents. CDC also expands opportunities available to these residents to own, manage, and operate business enterprises in economically depressed areas, and to obtain adequate low-cost housing accommodations.

During the year ended December 31, 2007, CDC formed Columbus Arms, LLC ("Columbus Arms"), a Florida limited liability company, with CDC as its sole owner, for the purpose of purchasing and running an apartment complex to provide affordable housing.

During the year ended December 31, 2009, CDC formed FKC CDC GP, LLC ("FKC") a Florida limited liability corporation, with CDC as its sole owner, for the purpose of multifamily affordable housing.

During the year ended December 31, 2011, CDC formed Tampa Vocational Institute, LLC ("TVI"), a Florida limited liability corporation, with CDC as its sole owner, for the purpose of vocational and technical job skills training.

During the year ended December 31, 2016, CDC formed CDCT Gardens, LLC, a Florida limited liability corporation, with CDC as its sole owner, for the purpose of the acquisition, financing, construction, and operation of multifamily affordable housing project.

The consolidated financial statements as of and for the year ended December 31, 2023 include the accounts of CDC, Columbus Arms, FKC, TVI, and CDCT Gardens, LLC after elimination of all intercompany accounts and transactions.

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2023

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

2. Basis of Presentation

The Organization follows standards of accounting and financial reporting for not-for-profit organizations as described in the American Institute of Certified Public Accountants' *"Industry Guide for Audits of Not-for-Profit Organizations."* Accordingly, the financial statements are prepared on an accrual basis of accounting, which recognizes revenues when earned and expenses when incurred. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

Net assets of the Organization and changes therein are classified and reported as follows:

- With Donor Restriction – Net assets with donor restrictions are net assets subject to donor-imposed stipulations that may be fulfilled by actions of the Organization to meet the stipulations, that may become undesignated by the passage of time, or that require net assets to be permanently maintained, thereby restricting the use of principal.
- Without Donor Restriction – Net assets without donor restrictions are net assets not subject to donor-imposed restrictions or the donor-imposed restrictions have expired. These net assets are available for use at the discretion of the Board of Directors and/or management for general operating purposes.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions.

Contributions received and unconditional promises to give are measured at their fair values at the date of contribution and are reported as increases in net assets. The Organization reports gifts of cash and other assets as restricted support if they are designated for future periods. Donor restricted net assets are reclassified to net assets without donor restriction when the restriction expires. Accordingly, the financial statements classify all net assets without donor restriction except those that involve a donor restriction which are classified as with donor restriction.

3. Liquidity

Assets and liabilities are presented in the accompanying statement of financial position according to their nearness of conversion to cash and, their maturity and resulting use of cash, respectively. See note C for more information on liquidity and availability of assets.

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2023

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

4. Cash and Cash Equivalents

Cash equivalents consist of highly liquid short-term money market instruments with a maturity of three months or less when purchased. Cash whose use is limited consists of cash and cash equivalents reserved for a specific purpose on the consolidated statements of financial position. This includes restricted cash received with restrictions imposed by donors (but not yet spent) for a specific purpose and reserves required by underlying agreements. See Note B for more information on cash whose use is limited.

5. Grants Receivable

The Organization receives support from various federal, state, and local grants. None of the amounts receivable at December 31, 2023 are deemed to be uncollectible. Therefore, no provisions for uncollectible amounts have been made in the accompanying consolidated financial statements.

6. Accounts Receivable

Accounts receivable consist of amounts owed to the Organization for commercial and residential property rental and program service fees. Accounts receivable includes an allowance for doubtful accounts of \$31,241 related to property rental for the year ended December 31, 2023. The Organization considers the net accounts receivable to be fully collectible.

7. Property and Equipment

Property and equipment are recorded at cost, or if donated, at fair market value at the date of donation. The Organization capitalizes property and equipment additions in excess of \$1,000. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets. Estimated service lives for the Organization's property and equipment range from three to forty years.

Maintenance, repairs and minor renewals are expensed in the year the expense is incurred. Additions, improvements and major renewals are capitalized.

The cost of assets retired or sold, together with the related accumulated depreciation, is removed from the accounts, and any gain or loss is included in operations in the year of disposal.

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2023

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Property and equipment acquired by the Organization are considered to be owned by the Organization. However, various funding sources ("agencies") maintain an equitable interest in the property and equipment purchased, in whole or part, under a contract funded by the agencies. The agencies have a right to require transfer of the property and equipment (including title) to the agencies upon contract termination for property and equipment having an acquisition cost of \$500 or more.

8. Deferred Revenue

Deferred revenue consists of governmental and private grant funds received in advance of the Organization providing the stipulated service. The Organization recognizes income in the period that the contracted service is performed.

9. Other Liabilities

The Organization leases building space and apartment units to local businesses and individuals for a monthly fee. Security deposits were acquired upon initial lease agreements and will be held, without liability for interest, as security for rental payments. These deposits shall be returned upon expiration of the lease if tenants are not in default of agreements.

10. Donated Goods and Services

Donations of in-kind items used by the Organization are recorded as contributions and as assets or expenses to the extent that an objective basis is available to measure the value of such items. The Organization had no donated goods for the year ended December 31, 2023.

Contributed services are recorded as contributions and as assets or expenses at their fair value, to the extent they create or enhance nonfinancial assets or require specialized skills, are provided by individuals or organizations possessing these skills, and would typically need to be purchased if not provided by donations. The Organization had no contributed services for the year ended December 31, 2023.

A substantial number of volunteers have contributed a significant amount of time and services to the Organization's program, management and general fundraising activities. However, these services have not been recognized in the consolidated financial statements since they do not meet the requirements of Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958-605.

11. Advertising

Advertising costs are charged to operations when the cost is incurred. Total advertising costs was \$112,047 for the year ended December 31, 2023.

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2023

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

12. Functional Allocation of Expenses

The statement of functional expenses presents expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Organization are reported as expenses of those functional areas. Expenses that benefit multiple functional areas have been allocated across programs, general and administrative, and fundraising expenses based on the proportion of employee time involved.

13. Income Taxes

Income taxes are not provided for in the consolidated financial statements since the Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state provisions. The Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. Management is not aware of any activities that would jeopardize the Organization's tax exempt status.

The Organization is not aware of any tax positions it has taken that are subject to a significant degree of uncertainty. Tax years after 2020 remain subject to examination by federal and state taxing authorities.

Columbus Arms, LLC, Tampa Vocational Institute, LLC, FKC CDC GP, LLC, and CDCT Gardens are single member limited liability corporations and are disregarded entities for tax reporting purposes. All of their net income or loss is passed through to CDC in fulfillment of its mission.

14. Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

15. Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of cash and cash equivalents. The Organization manages this risk through the use of high credit worthy financial institutions. Interest bearing and non-interest bearing accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor at each financial institution. Occasionally, deposits exceed amounts insured by the FDIC. The company has not experienced any losses from its deposits.

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2023

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

16. New Accounting Standards

In June 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (“ASU 2016-13” or “ASC 326”). ASU 2016-13 revises the accounting requirements related to the measurement of credit losses and requires organizations to measure all expected credit losses for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts about collectability. Assets must be presented in the financial statements at the net amount expected to be collected. On January 1, 2023, CDC adopted the new accounting standard and all the related amendments using the modified retrospective method. The comparative information has not been restated and continues to be reported under the accounting standards in effect in those reporting periods. There was no significant impact on CDC’s consolidated financial statements.

NOTE B - CASH WHOSE USE IS LIMITED

The Organization has received cash for use on grants and real estate projects. Cash whose use is limited consisted of the following at December 31, 2023:

Gardens at Diana Point - Real Estate Project	\$ 47,108
Strategic Initiatives	4,000
Real Estate Improvements	<u>50,000</u>
	<u>\$ 101,108</u>

NOTE C - LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position sheet date, comprise the following at December 31, 2023:

Cash and cash equivalents	\$ 5,753,796
Accounts receivable	<u>1,181,406</u>
Total financial assets available for general expenses within one year	<u>\$ 6,935,202</u>

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2023

NOTE C - LIQUIDITY AND AVAILABILITY OF RESOURCES - Continued

The Organization's Board of Directors has the ability to designate net assets without donor restrictions that could be made available for current operations if necessary. As of the year ended December 31, 2023, the Board has not elected to designate any of these net assets.

NOTE D - LOAN RECEIVABLE

During 2021, the Organization entered into a loan agreement with a borrower in the amount of \$905,000 with a 0.5% interest rate. The purpose of this agreement is for the construction of a grocery store in Tampa, Florida. This note will be repaid to the Organization in two installments, the first being a principal payment of \$350,000 and accrued interest upon refinancing or 5 years from the original loan date, whichever occurs first and the second installment payment will be the remaining principal balance plus accrued interest due 10 years from the original loan date. This note bears a maturity date of March 2031.

NOTE E - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2023:

Land and improvements	\$ 1,063,604
Buildings and improvements	27,212,359
Furniture and equipment	<u>891,155</u>
	29,167,118
Less accumulated depreciation	<u>(3,022,958)</u>
	<u>\$ 26,144,160</u>

Depreciation expense was \$736,572 for the year ended December 31, 2023.

NOTE F - FAIR VALUE MEASUREMENTS

The Organization adopted Statement of FASB ASC 820-10, "*Fair Value Measurements.*" ASC 820-10 establishes a framework for using fair value to measure assets and liabilities and defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) as opposed to the price that would be paid to acquire the asset or received to assume the liability (an entry price). Under ASC 820-10, a fair value measure should reflect the assumptions that market participants would use in pricing the asset or liability, including the assumptions about the risk inherent in a particular valuation technique, the effect of a restriction on the sale or use of an asset and the risk of nonperformance. ASC 820-10 requires disclosures that stratify the statement of financial position amounts measured at fair value based on inputs used to derive fair value measurements. These strata include:

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2023

NOTE F - FAIR VALUE MEASUREMENTS - Continued

- Level 1 inputs, where the valuation is based on quoted market prices for identical assets or liabilities traded in active markets (which include exchanges and over-the counter markets with sufficient volume),
- Level 2 inputs, where the valuation is based on quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market, and
- Level 3 inputs, where the valuation is generated from model-based techniques that use significant assumptions not observable in the market, but observable based on fund-specific data. These unobservable assumptions reflect estimates or assumptions that market participants would use in pricing the asset or liability.

Valuation techniques typically include option pricing models, discounted cash flow models and similar techniques, but may also include the use of market prices of assets or liabilities that are not directly comparable to the subject asset or liability. The following table presents financial assets measured at fair value on a recurring basis as of December 31, 2023:

	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Homes under construction	<u>\$ 4,163,711</u>	<u>\$ -</u>	<u>\$ 4,163,711</u>	<u>\$ -</u>

NOTE G - DUE TO GOVERNMENTAL AGENCIES

Due to governmental agencies consisted of the following at December 31, 2023:

Note payable to Hillsborough County not to exceed \$2,223,055, no interest, collateralized by land, principal due at maturity on April 30, 2048	\$ 2,223,055
Note payable to Hillsborough County not to exceed \$1,914,136, no interest, collateralized by land, principal due at maturity on January 31, 2050	1,914,136
Note payable to Hillsborough County not to exceed \$16,224,664, no interest, collateralized by property, forgiven if the property continues to be used for its intended purpose through 2054	<u>16,224,664</u>
	20,361,855
Amortization and debt issuance costs	<u>(69,515)</u>
	<u>\$ 20,292,340</u>

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2023

NOTE H - LONG-TERM DEBT

Long-term consisted of the following at December 31, 2023:

Note payable in the amount of \$1,000,000 for an initial term loan of ten years with a twenty five year amortization payment schedule. This loan was reamortized during 2016 to a fixed rate of 4.0%, monthly principal and interest payments of \$5,343, due June 30, 2024, secured by real estate.	\$ 755,084
On July 1, 2020 the line of credit converted to a \$2,300,000 permanent mortgage. Note was reamortized during 2022 to a fixed rate of 5.0%, monthly principal and interest payments of \$13,350, due June 1, 2024, secured by real property.	2,160,387
Note payable for the purchase of property in the amount of \$350,000 with a 24 month interest only period followed by a 15 year amortized loan with a fixed 6.5% rate and principal payments of \$3,067 followed by a balloon payment, secured by real property.	347,375
Note payable for the purchase of property in the amount of \$1,650,000, no interest, with a balloon payment on December 14, 2024.	1,650,000
Note payable for the purchase and development of property in the amount of \$280,000, no interest, with a balloon payment on April 10, 2028	280,000
Note payable for the purchase and development of property in the amount of \$589,500, with a fixed rate of 8.5%, with a balloon payment on November 14, 2028	<u>589,500</u>
	5,782,346
Less current portion	<u>(1,738,317)</u>
	<u><u>\$ 4,044,029</u></u>

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2023

NOTE H - LONG-TERM DEBT - Continued

Annual maturities on long-term debt are as follows:

<u>Year ending December 31,</u>	
2024	\$ 1,738,317
2025	91,908
2026	97,534
2027	100,983
2028	1,242,477
Thereafter	<u>2,511,127</u>
	<u>\$ 5,782,346</u>

NOTE I - LINES OF CREDIT

The Organization obtained a \$1,000,000 revolving line of credit from Neighborworks Capital Corporation for construction or rehabilitation of single family homes. The line of credit bears interest at the fixed rate of 5.75%, with a maturity date of June 1, 2023. The line of credit had no outstanding balance at December 31, 2023.

The Organization obtained a line of credit from a commercial bank that allows the Organization to borrow up to \$2,000,000 for construction and/or rehabilitation of single family residences. Interest is accrued monthly and is payable upon sale of a single family home at prime with a floor of 5.00%, subject to annual renewal. The line of credit is secured by land and improvements of each single family residence. The line of credit had \$252,680 outstanding balance at December 31, 2023.

The Organization obtained a line of credit from Suncoast Credit Union that allows the Organization to borrow up to \$1,500,000 for the Organization's business operations. The line of credit bears interest at the fixed rate of 2.5% with a maturity date of June 1, 2028. The line of credit had an outstanding balance of \$1,500,000 at December 31, 2023.

The Organization obtained a line of credit from Raymond James that allows the Organization to borrow \$500,000 for construction or rehabilitation of land or properties for rental or sale of affordable housing in low or moderate income areas. The line of credit bears interest at the fixed rate of 2% with a maturity date of March 2033. The line of credit had an outstanding balance of \$500,000 at December 31, 2023.

The Organization obtained a \$118,017 line of credit from the Florida Housing Finance Corporation for Phase 2 of Diana Gardens. The line of credit bears no interest with a maturity date of June 2025. The line of credit had an outstanding balance of \$118,017 as of December 31, 2023.

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2023

NOTE I - LINES OF CREDIT - Continued

The Organization obtained a line of credit from Valley National Bank that allows the Organization to borrow \$2,000,000 for construction or rehabilitation of land or properties for rental or sale of affordable housing in low or moderate income areas. The line of credit bears interest at the fixed rate of 2% with a maturity date of April 2033. The line of credit had an outstanding balance of \$2,000,000 at December 31, 2023.

NOTE J - DEFERRED REVENUE

Deferred revenue consisted of the following at December 31, 2023:

Youth Programs	\$	5,318
Workforce Programs		15,662
Strategic Initiatives		<u>172,907</u>
	\$	<u>193,887</u>

NOTE K - FUNDS HELD FOR OTHERS

The Organization is a fiscal agent for Safe and Sound Hillsborough funds. Funds held in a separate checking account for the Safe and Sound Program totaled \$417,086 at December 31, 2023 with a corresponding liability of \$417,086. The Organization also has scholarships funds held for others in the amount of \$5,085.

NOTE L - LEASES

The Organization leases equipment and training space under noncancelable operating leases. In accordance with ASC 842, *Leases*, the Organization recorded a right of use operating asset of \$32,271 and operating lease payable of \$34,681, which is the net present value of future minimum lease payments at the time the accounting standard was implemented using a rate of 8%. In addition, the Organization has elected to apply the short-term lease exception of all leases with a term of one year or less.

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2023

NOTE L - LEASES - Continued

The approximate future minimum lease payments, by year and in aggregate, under the noncancelable operating lease consist of the following:

<u>Year ending December 31,</u>			
2024		\$	18,135
2025			<u>19,296</u>
Total future payments			37,431
Less interest			<u>(2,750)</u>
Operating lease liability		\$	<u><u>34,681</u></u>

NOTE M - BOARD DESIGNATED NET ASSETS

The Organization has approximately \$465,800 board designated net assets during the year ended December 31, 2023.

NOTE N - EMPLOYEE RETIREMENT BENEFIT PLAN

The Organization participates in a 403(b) retirement plan that covers all employees except on-call and seasonal employees. For each eligible employee covered under the plan, the employer contributes a base contribution of 3% of the employee’s eligible wages and up to an additional 2% match for those contributing to the plan. In order to be eligible for employer contributions, the employee must complete one year of service and 1000 hours of service during the first twelve-month period. Additionally, the Organization has a discretionary nonqualified retirement plan. Retirement plan expense was approximately \$74,400 for the year ended December 31, 2023.

NOTE O - ECONOMIC DEPENDENCY

The Organization receives funding from federal, state and local grants. The availability and funding of such grants are subject to change with little or no advance notice.

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2023

NOTE P - NEIGHBORWORKS AMERICA GRANTS

The following NeighborWorks America (“NWA”) grants were in effect during the year ended December 31, 2023:

Unrestricted Support

The Organization recognized unrestricted support through several discretionary grant funds. The Organization expended \$311,350 during the year ended December 31, 2023.

Permanently Restricted Support

As of December 31, 2023, there are no Permanent Restrictions on the Organization’s Consolidated Statement of Financial Position.

NOTE Q - SPECIAL EVENTS, NET

The Organization conducted a special event during the year ended December 31, 2023 to benefit the Organization. Net special events revenue consisted of the following at December 31, 2023:

Event revenue	\$ 195,306
Direct expenses	<u>56,603</u>
Net proceeds from special events	<u>\$ 138,703</u>

NOTE R - DEVELOPER REVENUE, NET

The Organization developed single family homes in East Tampa. During year ended December 31, 2023, the Organization sold \$2,985,727 of real estate with a cost of \$2,776,520 for net profit/developer fees of \$209,207.

NOTE S - CONTINGENCIES

Federal, state and local grant programs are subject to financial and compliance audits by grantor agencies which, if instances of material noncompliance are found, may result in disallowed expenditures and affect the Organization’s continued participation in specific programs. The amounts, if any, of expenditures which may be disallowed by the grantor agencies cannot be determined at this time, although the Organization expects such amounts, if any, to be immaterial.

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2023

NOTE T - SUBSEQUENT EVENTS

Investment in Leverage Lender – On March 14, 2024, the Organization invested in a Leverage Lender for the purpose of taking advantage of the New Markets Tax Credit (NMTC) program. The NMTC program provides tax credit incentives to investors who invest in low-income communities and is administered by the U.S. Treasury Department. The Organization's investment in the Leverage Lender totaled \$4,151,400 and represents a 24% ownership stake. As part of the arrangement, the Organization secured a 20-year loan from a community development entity which received tax credit allocation. The loan is in the amount of \$5,850,000. The loan proceeds are to be used solely for the purpose of acquiring, rehabbing and/or constructing single-family homes in low-income communities and selling at least 20% of such homes to low-income people. The loan will bear interest at a rate of 0.709712% per year. Semi-annual payments of interest only are due in years 1 through 7 with fully amortizing quarterly payments of principal and interest due in years 8 through 20.

At the end of the compliance period, in connection with this arrangement, the members of the Leverage Lender have the option to purchase American Express NMTC Homeownership Fund LLC's ownership interest in the Investment Fund. Exercise of this option will effectively allow the Organization to extinguish its debt owed to the community development entity.

The Organization has evaluated events and transactions occurring subsequent to December 31, 2023 as of August 27, 2024 which is the date the consolidated financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

December 31, 2023

	Corporation to Develop Communities of Tampa, Inc.	Tampa Vocational Institute, LLC	Columbus Arms, LLC	FKC CDC GP, LLC	CDCT Gardens, LLC	CDCT Armature Place	CDCT 5112 N 22nd Street	Eliminations	Total
ASSETS									
Cash and cash equivalents	\$ 4,922,788	\$ 14,433	\$ -	\$ 222,450	\$ 267,787	\$ 326,338	\$ -	\$ -	\$ 5,753,796
Cash whose use is limited	54,000	-	-	-	47,108	-	-	-	101,108
Accounts receivable									
Grants	42,585	-	-	-	-	305,122	-	-	347,707
Other	731,391	-	-	-	(10,597)	112,905	-	-	833,699
Homes under construction	4,103,588	-	-	-	13,715	46,408	-	-	4,163,711
Prepaid expenses and other assets	142,446	-	-	-	16,395	-	250	-	159,091
Repairs and maintenance reserve	-	-	-	-	-	673,353	-	-	673,353
Funds held for others	417,086	-	-	-	-	-	-	-	417,086
Total current assets	10,413,884	14,433	-	222,450	334,408	1,464,126	250	-	12,449,551
Buildings, property, and equipment, net	2,107,086	-	-	-	6,602,953	15,699,192	1,734,929	-	26,144,160
Right of use operating lease asset, net	32,271	-	-	-	-	-	-	-	32,271
Accounts receivable - subsidiaries	1,582,654	-	248,949	74,163	-	-	-	(1,905,766)	-
Deposits	11,622	-	-	-	-	4,917	-	-	16,539
Loan receivables	905,000	-	-	-	-	-	-	-	905,000
TOTAL ASSETS	\$ 15,052,517	\$ 14,433	\$ 248,949	\$ 296,613	\$ 6,937,361	\$ 17,168,235	\$ 1,735,179	\$ (1,905,766)	\$ 39,547,521

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries
CONSOLIDATING STATEMENT OF FINANCIAL POSITION - CONTINUED

December 31, 2023

	Corporation to Develop Communities of Tampa, Inc.	Tampa Vocational Institute, LLC	Columbus Arms, LLC	FKC CDC GP, LLC	CDCT Gardens, LLC	CDCT Armature Place	CDCT 5112 N 22nd Street	Eliminations	Total
LIABILITIES AND NET ASSETS									
Current portion of long-term debt	\$ 49,355	\$ -	\$ -	\$ -	\$ 38,962	\$ -	\$ 1,650,000	\$ -	\$ 1,738,317
Current portion of lines of credit	252,680	-	-	-	-	-	-	-	252,680
Accounts payable	230,037	-	-	-	27,986	35,893	-	-	293,916
Construction and retainage payables	145,892	-	-	-	-	79,823	-	-	225,715
Accrued liabilities	158,702	-	-	-	28,956	34,899	-	-	222,557
Deferred revenue	193,887	-	-	-	-	-	-	-	193,887
Funds held for others	422,171	-	-	-	-	-	-	-	422,171
Right of use operating lease liability	18,135	-	-	-	-	-	-	-	18,135
Total current liabilities	<u>1,470,859</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>95,904</u>	<u>150,615</u>	<u>1,650,000</u>	<u>-</u>	<u>3,367,378</u>
Lines of credit	4,118,017	-	-	-	-	-	-	-	4,118,017
Long-term debt	<u>1,918,729</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,125,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,044,029</u>
Due to governmental agencies	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,067,676</u>	<u>16,224,664</u>	<u>-</u>	<u>-</u>	<u>20,292,340</u>
Right of use operating lease liability, net of current portion	<u>16,546</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,546</u>
Other liabilities	<u>179,049</u>	<u>152,321</u>	<u>-</u>	<u>-</u>	<u>1,216,030</u>	<u>318,520</u>	<u>141,929</u>	<u>(1,905,766)</u>	<u>102,083</u>
Total liabilities	<u>7,703,200</u>	<u>152,321</u>	<u>-</u>	<u>-</u>	<u>7,504,910</u>	<u>16,693,799</u>	<u>1,791,929</u>	<u>(1,905,766)</u>	<u>31,940,393</u>
Net assets	<u>7,349,317</u>	<u>(137,888)</u>	<u>248,949</u>	<u>296,613</u>	<u>(567,549)</u>	<u>474,436</u>	<u>(56,750)</u>	<u>-</u>	<u>7,607,128</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 15,052,517</u>	<u>\$ 14,433</u>	<u>\$ 248,949</u>	<u>\$ 296,613</u>	<u>\$ 6,937,361</u>	<u>\$ 17,168,235</u>	<u>\$ 1,735,179</u>	<u>\$ (1,905,766)</u>	<u>\$ 39,547,521</u>

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended December 31, 2023

	Corporation to Develop Communities of Tampa, Inc.	Tampa Vocational Institute, LLC	Columbus Arms, LLC	FKC CDC GP, LLC	CDCT Gardens, LLC	CDCT Armature Place	CDCT 5112 N 22nd Street	Eliminations	Total
REVENUES AND SUPPORT									
Contributions	\$ 114,201	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 114,201
Federal grants	322,225	-	-	-	-	-	-	-	322,225
State and local grants	1,902,649	-	-	-	-	-	-	-	1,902,649
Private foundation grants	1,390,728	-	-	-	-	-	-	-	1,390,728
Developer revenue, net	177,257	-	-	31,950	-	-	-	-	209,207
United Way	229,911	-	-	-	-	-	-	-	229,911
Special events, net	138,703	-	-	-	-	-	-	-	138,703
Program service fees	88,666	-	-	-	-	-	-	-	88,666
Rental related income	245,523	-	-	-	310,785	893,123	45,215	-	1,494,646
Loss on sale of assets	-	-	-	-	-	-	-	-	-
Interest income and other	59,466	-	-	-	9,531	39,626	-	-	108,623
Total revenues and support	<u>4,669,329</u>	<u>-</u>	<u>-</u>	<u>31,950</u>	<u>320,316</u>	<u>932,749</u>	<u>45,215</u>	<u>-</u>	<u>5,999,559</u>
EXPENSES									
Program services									
Youth family center	832,980	-	-	-	-	-	-	-	832,980
Workforce center	1,170,018	2,888	-	-	-	-	-	-	1,172,906
Real estate/housing development	816,643	-	-	144	544,364	1,324,420	87,305	-	2,772,876
Total program services	<u>2,819,641</u>	<u>2,888</u>	<u>-</u>	<u>144</u>	<u>544,364</u>	<u>1,324,420</u>	<u>87,305</u>	<u>-</u>	<u>4,778,762</u>
Support services									
Management and general	524,690	-	-	-	-	-	-	-	524,690
Fundraising	253,125	-	-	-	-	-	-	-	253,125
Total support services	<u>777,815</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>777,815</u>
Total expenses	<u>3,597,456</u>	<u>2,888</u>	<u>-</u>	<u>144</u>	<u>544,364</u>	<u>1,324,420</u>	<u>87,305</u>	<u>-</u>	<u>5,556,577</u>
CHANGES IN NET ASSETS	<u>\$ 1,071,873</u>	<u>\$ (2,888)</u>	<u>\$ -</u>	<u>\$ 31,806</u>	<u>\$ (224,048)</u>	<u>\$ (391,671)</u>	<u>\$ (42,090)</u>	<u>\$ -</u>	<u>\$ 442,982</u>

COMPLIANCE REPORT



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Corporation to Develop Communities of Tampa, Inc. (a nonprofit organization) and Subsidiaries (the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated statements of activities and changes in net assets, cash flows, and functional expenses for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated August 27, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Corporation to Develop Communities of Tampa, Inc. and Subsidiaries' consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries' Response to Findings

Governmental Auditing Standards requires the auditor to perform limited procedures on the Corporation to Develop Communities of Tampa, Inc. and Subsidiaries' response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Corporation to Develop Communities of Tampa, Inc. and Subsidiaries' response was not subjected to the other auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Tampa, Florida
August 27, 2024



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

Report on Compliance for Each Major Federal Program
Opinion on Each Major Federal Program

We have audited Corporation to Develop Communities of Tampa, Inc. and Subsidiaries' (the "Organization") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2023. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.



Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

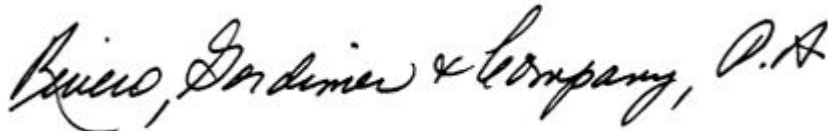
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of

compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit the attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Buero, Jordanier & Company, P.A." The signature is written in black ink and is positioned to the right of the date and location information.

Tampa, Florida
August 27, 2024

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended December 31, 2023

Federal Grantor / Program Title	Federal CFDA	Pass-Through Entity Identifying Number	Loan Balance / Expenditures	Pass-Through Subrecipients
U.S. Department of Housing and Urban Development				
Indirect awards				
Pass-through Hillsborough County, Florida				
Community Development Block Grants/Entitlement Grants	14.218	B16-UC-120002	\$ 1,914,136	\$ -
Pass-through the City of Tampa, Florida				
Community Development Block Grants/Entitlement Grants	14.218	HCD 2020-115	321,433	-
Total Community Development Block Grants			<u>2,235,569</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			<u>2,235,569</u>	<u>-</u>
U.S. Department of Treasury				
Indirect awards				
Pass-through NeighborWorks				
Round 1 Expendable & Capital Grant	21.000	N/A	244,000	-
Communities Leaders Training	21.000	N/A	1,973	-
Training	21.000	N/A	862	-
Business Strengthening	21.000	N/A	13,665	-
Operating	21.000	N/A	20,000	-
Advanced Lenders in Real Estate	21.000	N/A	7,400	-
Consultant	21.000	N/A	23,450	-
Total Pass-through NeighborWorks			<u>311,350</u>	<u>-</u>
Indirect awards				
Pass-through Hillsborough County, Florida				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	16,224,664	-
Total Coronavirus State and Local Fiscal Recovery Funds			<u>16,224,664</u>	<u>-</u>
Total U.S. Department of Treasury			<u>16,536,014</u>	<u>-</u>
U.S. Environmental Protection Agency				
Direct awards				
Environmental Workforce Development and Job Training	66.815	SH05119SH9	40,248	-
Total U.S. Environmental Protection Agency			<u>40,248</u>	<u>-</u>
Total federal awards			<u>\$ 18,811,831</u>	<u>\$ -</u>

The accompanying notes are an integral part of this schedule.

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

December 31, 2023

NOTE A - BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Corporation to Develop Communities of Tampa, Inc. and Subsidiaries under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Corporation to Develop Communities of Tampa, Inc. and Subsidiaries, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Corporation to Develop Communities of Tampa, Inc. and Subsidiaries.

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE B - INDIRECT COSTS

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C - LOANS

The following loan and loan guarantee programs have outstanding balances as of December 31, 2023:

U.S. Department of Housing and Urban Development

Community Development Block Grants/Entitlement Grants	\$	1,914,136
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U.S. Department of Treasury

Coronavirus State and Local Fiscal Recovery Funds	\$	16,224,664
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NOTE D - CONTINGENCIES

These federal programs are subject to financial and compliance audits by grantor agencies which, if instances of material noncompliance are found, may result in disallowed expenditures and affect the Organization's continued participation in specific programs. The amounts, if any, of expenditures which may be disallowed by the grantor agencies cannot be determined at this time, although the Organization expects such amounts, if any, to be immaterial.

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

December 31, 2023

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting
Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major federal programs:
Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

Type of auditors' report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? yes X no

Identification of major federal programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.218	U.S. Department of Housing and Urban Development Community Development Block Grants/Entitlement Grants
21.027	U.S. Department of Treasury Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B federal programs \$ 750,000

Corporation to Develop Communities of Tampa, Inc. and Subsidiaries

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

December 31, 2023

Section II – Findings Related to the Financial Statements

There were no findings required to be reported for the year ended December 31, 2023 in accordance with 2 CFR 200.216(a).

Section III – Findings and Questioned Costs for Federal Awards

There were no findings required to be reported for the year ended December 31, 2023 in accordance with 2 CFR 200.216(a).